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Product Brief

Fish and Seafood Market

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Report Highlights:

The Singapore seafood market can be segmented into (a) the high-end food service sector requiring local and coldwater fish and seafood, (b) the low-end food service sector requiring low-end local fish and seafood products, (c) the retail sector requiring high volumes of local fish and seafood and (d) the fish and seafood processing sector requiring high volumes of local fish and seafood products.

Includes PSD changes: No
Includes Trade Matrix: No
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1. Singapore in profile

Singapore (population of 4.1 million) is one of the most affluent nations in Asia with a GDP per-capita of about US\$20,732 today. About 22% of the population are aged 15 years and below, which represents a sizeable pool of future consumers who will be an important driver for increased consumption of imported food and beverages in future. Over 76% of its population make up the middle to upper income group of consumers, all of whom lead an urban lifestyle and represent the bulk of the market for imported food and beverages today.

Singapore's economy is based mainly on its strong export manufacturing and financial and business service sectors. Prior to the Asian economic downturn of 1997/1998, its economy had been growing in excess of 8% per annum. In 2001, Singapore's GDP contracted by 2.0%, largely due to the contraction in the manufacturing sector which was negatively impacted by global recession, particularly the downturn in demand from the technology sector in 2001.

On a positive note, the government forecasts Singapore's economy to grow by around 2.5 % in 2002 based on expectations of modest recovery in exports of electronics to the key world economies such as the USA and Japan. Most economists forecast Singapore's economic growth for 2003 to improve to around 4% based on their expectation of a continued recovery in global trade.

2. Singapore's importance as a regional distribution hub

Singapore is generally recognised as Southeast Asia's main distribution hub. The facilities offered by its highly efficient airport and seaport have encouraged a large number of businesses, including food manufacturers and ingredient suppliers, to base their operations in Singapore to serve their regional markets.

In 2001, US\$ 1.1 billion of food and beverages were re-exported from Singapore to various countries in the world. Of this, around 35% were shipped to ASEAN countries, with Malaysia being the main destination. A large proportion of imported seafood is re-exported to as many as 40 different countries worldwide. Re-export to neighbouring ASEAN countries, especially Malaysia and Thailand, form significant proportions, as much as 40 % for some product segments, of the re-export trade out of Singapore. More details on this matter are provided in the next chapter to this report.

3. Singapore's fish and seafood market

3.1 Market size

While Singapore has its own fishing fleet and is an exporter of fish and seafood products, the major source for its domestic market is imported fish and seafood products.

The market is made up of around 160,000 tonnes (US\$ 456 million) in imports of live, fresh, chilled

and frozen fish and seafood products and over 10,000 tonnes of local catch of fish and seafood. Singapore also exports large quantities of fish and seafood products. In 2001, around 86,000 tonnes were exported, this included locally farmed fish and local catch as well as imported fish which has been further processed in Singapore for export markets.

Local fish originate from warm waters around Singapore, stretching from the Indian Ocean to the South China Sea and the western parts of the Pacific Ocean close to Southeast Asia. Imported fish caught from the northern and southern oceans are referred to in this report as coldwater fish. This report concentrates on imported coldwater fish and seafood.

Singapore's fresh, chilled and frozen fish and seafood market is divided into segments which cover demand from:

- a. The high end food service sector, including specialist fish and seafood restaurant chains, high end restaurants and hotels. This sector demands high volumes of imported local and coldwater fish and seafood.
- b. The low end food service sector, mainly made up of cooked food centres and low end restaurants and coffee shops. This sector demands high volumes of low end local fish and seafood products.
- c. The retail sector which includes wet markets and supermarkets. This sector has a high volume demand for local fish and seafood but low volume for coldwater fish and seafood.
- d. The fish and seafood processing sector. This industry sector demands high volumes of local fish and seafood products and low volumes of coldwater fish and seafood.

3.2 Imports

A large number of countries supply fish and seafood to Singapore. In 2001, there were:

- 44 countries involved in supplying marine fish.
- 20 countries involved in supplying freshwater fish.
- 34 countries involved in supplying frozen tuna and fish fillets.
- 22 countries involved in supplying smoked fish.
- 38 countries involved in supplying seafood products.

Imports of non-coldwater fish and seafood form 82 % of total imports in 2001, the bulk being from Asian countries.

The Table below provides the total imports of fresh, chilled or frozen coldwater fish and seafood for the five years from 1997 to 2001, excluding imports from Asian and African countries that do not supply coldwater fish and seafood.

Fish and Seafood Imports (Tonnes)					
	1997	1998	1999	2000	2001
Marine fish	5,831	5,067	8,989	6,558	6,303
Freshwater fish	100	86	149	209	145
Tuna frozen	14,076	8,573	17,117	19,193	9,629
Fish fillets	715	863	1,044	1,199	1,208
Smoked fish	224	159	171	171	157
Prawns and shrimps	287	205	139	380	342
Other crustaceans	437	288	670	1,195	951
Other molluscs	1,135	907	1,180	1,320	1,090
Total (Tonnes)	22,805	16,148	29,459	30,225	19,825
Total (US\$ million)	63	50	77	104	73
% change in imports (Tonnes)		-29	+82	+3	-34
Note: The above data excludes Asian and African country sources. Source: Department of Statistics					

The top 3 major supply countries in 2001 are shown by the Table below, excluding Asian and African supply sources.

Major Supply Countries and Their Import Market Shares (2001)	
Marine fish	Norway (36%), New Zealand (23%), Chile (6%)
Freshwater fish	Chile (36%), Australia (26%), Russia (17%)
Tuna frozen	New Zealand (4%), Australia (2%)
Fish fillets	New Zealand (55%), Norway (22%), USA (10%)
Smoked fish	Norway (76%), Australia (5%), New Zealand (5%)
Prawns and shrimps	Norway (30%), Australia (29%), Venezuela (24%)
Other crustaceans	Australia (77%), Canada (9%), New Zealand (7%)
Other molluscs	Australia (35%), New Zealand (21%), USA (13%), Chile (13%)
Note: The above data excludes Asian and African country sources. Source: Department of Statistics	

The USA is a minor supplier of coldwater fish and seafood products to Singapore. It supplied small quantities of marine fish, frozen tuna, fish fillets, prawns/shrimps and molluscs to Singapore in 2001.

USA's major competitors are:

- Norway (smoked fish, marine fish, prawns/shrimps and fish fillets).
- New Zealand (marine fish, frozen tuna, fish fillets, smoked fish, other crustaceans and molluscs).
- Australia (freshwater fish, frozen tuna, smoked fish, prawns and shrimps, other crustaceans and molluscs).
- Chile (marine fish, freshwater fish and molluscs).

3.3 Re-exports

The Table below provides the total re-exports of fish and seafood from Singapore from 1997 to 2001. The data in the Table below includes re-export of fish and seafood which were imported from a world wide source. The Department of Statistics does not provide information on the original source of fish and seafood that is re-exported from Singapore.

Fish and Seafood Re-Exports (Tonnes)					
	1997	1998	1999	2000	2001
Marine fish	21,751	25,687	29,267	34,512	25,264
Freshwater fish	706	901	947	93	101
Frozen tuna	33,466	35,633	18,795	13,787	12,258
Fish fillets	3,317	2,740	1,465	1,113	1,051
Smoked fish	70	54	59	48	85
Prawns and shrimps	8,587	8,318	6,988	7,748	6,948
Other crustaceans	922	718	490	296	235
Other molluscs	2,492	452	782	596	513
Total (Tonnes)	71,311	74,503	58,793	58,193	46,455
Total (US\$ million)	178	182	159	183	151
% change in total re-exports (Tonnes)		+4	-21	-1	-20
Source: Department of Statistics					

Singapore re-exports marine fish to 39 different countries, freshwater fish to 8 different countries,

frozen tuna to 14 countries, fish fillets to 21 countries, smoked fish to 17 countries and seafood to 30 different countries.

A large proportion of imported fish and seafood is re-exported from Singapore:

- Almost all of imported tuna is re-exported from Singapore, mainly to Japan (77%) and Thailand (17%).
- 43% of imported marine fish is re-exported, mainly to Japan (35%), Malaysia (29%) and Taiwan (5%).
- 57% of imported prawns and shrimps is re-exported, mainly to Malaysia (35%), USA (19%), and Japan (14%).

Re-export of other fish and seafood form smaller proportions of imports:

- 10% of imported fish fillets was re-exported in 2001.
- 6% of other imported crustaceans was re-exported in 2001.
- 6% of other imported molluscs was re-exported in 2001.
- 2% of imported freshwater fish was re-exported in 2001.

Re-exports to other ASEAN countries are low because most ASEAN countries catch their own fish for their domestic markets and for export markets.

3.4 Local production

The Table below provides the total local production of fish and seafood for the five years from 1996 to 2000. At the time of writing, the statistics for 2001 has not yet been released by the government.

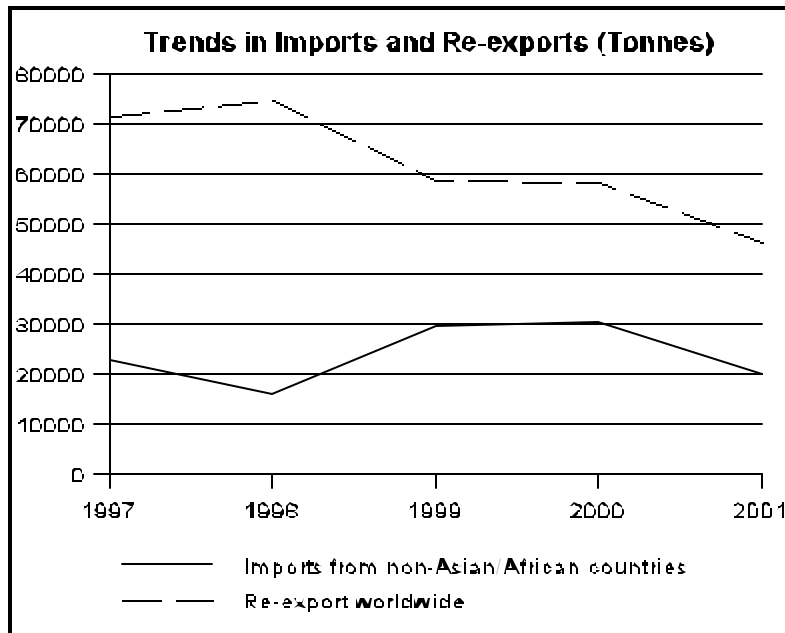
Local Production of Fish and Seafood (Tonnes)					
	1996	1997	1998	1999	2000
Fish supply*	13,129	13,049	11,516	10,526	10,483
*: Data includes aquaculture production but excludes dried, salted and fish in brine.					
Source: Agri-Food & Veterinary Authority					

Imported local fish and seafood products are used by Singapore's fish and seafood processing sector.

Trade sources comment that this sector only uses limited quantities of coldwater fish as local fish is readily available and is more price competitive compared to coldwater fish. This sector has started to decline slowly because Singapore is becoming too expensive as a base for such an industry. This trend is expected to continue into the future.

3.5 Growth prospects

The Chart below shows the trends in imports and re-exports of fish and seafood over the five years to 2001.



The Chart above indicates that the import of fish and seafood products have remained at similar levels over the five years to 2001 while the re-export trade has been declining significantly during the same period. The Chart shows that the level of re-export trade significantly exceeds the level of imports from non-Asian/African countries. The bulk of fish and seafood products for re-export are imported from Asian countries.

Trade sources indicated that over the next three years, the local consumption of all fish and seafood products will remain at similar levels to that seen today or show very slow growth of less than 5% per annum under conditions where Singapore's future economic growth remains at low rates.

However, some niche opportunities will continue to exist for coldwater fish and seafood products such as lobsters, oysters, crawfish and salmon as these products continue to be popular with the high income consumers and expatriates.

Trade sources comment that prospects are not too positive for re-export to ASEAN countries. The main ASEAN re-export destination is Malaysia. Unlike in the past, Malaysian importers now buy their fish and seafood products directly from Australia, New Zealand, Europe and the USA because they are better able to control the quality and price of the fish they import.

US exporters intending to explore the opportunities highlighted above are advised to perform detailed market research in these markets to better understand the market characteristics and identify in more detail the opportunities for their products types.

4. Consumer tastes and preference

Singaporeans have a natural love for fresh, chilled or frozen fish and seafood products. It is one of the most popular food product consumed in Singapore. Per capita consumption amounts to around 30 kilograms annually.

Popular local fish and seafood products include Salar, Batang (Spanish mackerel), Sea Bream, Song Fish, Telapia, prawns and shrimps, mud crabs and alike. Fish and seafood products are everyday food items for local consumers of all ages, races and income groups. Fresh and chilled products are preferred because they are well known to local shoppers and are readily available from the wet markets at very affordable prices.

Singaporeans do not consume large quantities of coldwater fish. Such fish is not understood by local consumers. Trade sources comment that local consumers find some coldwater fish strange looking. Some varieties appear ugly to some shoppers. The bulk of demand for coldwater fish comes from the food service sector as most households do not know how to prepare and cook the products. The food service sector demand differs, depending on the target consumers of the food service outlets:

- Specialist fish and seafood restaurants have very large demands for a wide variety of fresh and chilled products as well as live products, for both local fish and seafood and coldwater seafood of all types.
- High end restaurants and high end hotels have a demand for premium live, fresh and chilled products, for both local and coldwater fish and seafood and especially premium/exotic

products such as oysters, clams, lobsters and alike. Most salmon imports (fresh, chilled, frozen and smoked) are distributed to these restaurants and hotels.

- Cooked food centres demand lower cost products such as local fish, prawns and shrimps. No demand exists for coldwater fish or seafood by them.

However, in recent years, fresh/chilled salmon has been heavily promoted by Norway in the major supermarkets, targeted at the middle to high income households.

Demand for premium fish and seafood products increases over the Chinese New Year celebrations when such dishes are in demand. Weddings, birthday celebrations, Mother's Day celebration and other special occasions also call for expensive fish and seafood dishes to be included in the menu.

5. Brief import requirements for fish and seafood products

Singapore is virtually a free port. No import duty is imposed on imported fish and seafood. A Goods and Services Tax (GST) at the rate of 5% (3% prior to 31 December 2002) is imposed on the importation of goods into Singapore, calculated based on the CIF (Cost, Insurance, Freight) value in Singapore dollars.

When food enters Singapore, companies must submit the proper documentation to the Controller of Imports and Exports. An inward cargo manifest must be submitted to Customs within 24 hours of arrival of the carrier. All declarations are required to be submitted and approved electronically through the EDI network called the TradeNet System.

Every consignment of fish and seafood imported is required to be approved by the Agri-food and Veterinary Authority (AVA). The AVA's import control section is responsible for regulating the imports of such products into Singapore.

The import regulations are imposed to ensure that Singapore's supply of fish and seafood is safe for human consumption.

The importer must be licensed annually by the AVA to import fish and seafood. The importer has to be registered under the Business Registration Act or incorporated under the Companies Act to be eligible to apply for registration or a licence to import such products. All imported fish and seafood are subject to inspection. The consignment may be sampled by the AVA for laboratory testing. Every consignment of high risk seafood (includes frozen oyster, cockle meat, cooked prawn/shrimp and crab meat) will be detained for inspection and testing.

6. Distribution patterns

Live, fresh, chilled and frozen fish and seafood products are imported by local importers and agents for distribution to retail and food service outlets throughout Singapore. Live, fresh and chilled products are commonly air-freighted into Singapore. Some larger specialist fish and seafood restaurants also buy directly from overseas suppliers if certain premium products are not readily available from local importers.

Fish and seafood products are distributed to:

- Supermarkets, largely local and some coldwater fish and seafood products.
- Wet markets, largely for local fish and seafood products.
- Food service outlets, including cooked food centres, restaurants and hotels. Demand for fish and seafood variety depends on their target consumers.
- Fish and seafood processing companies, mainly for local fish and seafood products.

Trade sources comment that most households buy their fresh fish and seafood products from wet markets as such products are sold at a lower price there. Local fish and seafood products dominate at wet markets. Most imported fresh, chilled and frozen coldwater fish and seafood products destined for retail outlets are distributed to supermarkets which target the middle to upper income shoppers, including expatriates. Household demand for frozen products is very low as local consumers still prefer fresh or chilled fish and seafood products.

Food service outlets are main channels for coldwater fish and seafood. The key challenge in accessing the food service outlets lies in the highly fragmented nature of the target market and its supply chain.

Distribution of fish and seafood products in Singapore is challenging because of the hot climate which can rapidly damage product quality. Fish and seafood products have to be stored and distributed under cool conditions to prevent any deterioration in the quality.

Trade sources comment that distribution of fresh, chilled and frozen products require cold room/storage facilities and chiller trucks. Water is required for distributing live products. Trade sources comment that live lobsters are preferred by Singapore buyers. As a result, this is a challenge for exporters of this product.

END OF REPORT